

An open white door with a brass handle is set against a light-colored wall. The door is open, revealing a bright, empty room with light wood flooring. The room has white walls and a white baseboard. The floor in the foreground is made of wide wooden planks.

HOME BUYING 101:

*Everything You Didn't Know
You Needed To Know About
Buying Your First Home*



HEY THERE!

If you've been wanting to buy your first home and aren't sure of the steps involved, where to start, or how to avoid buyer's remorse, then this Buying A Home 101 guide is for you!

This series will help you avoid feeling overwhelmed and calm any fears you may have about “not knowing what you don't know.”

Buying a home, especially your first home, can feel nerve-wracking and overwhelming, but you can make it happen and this guide will help prepare you for the exciting journey you are about to undertake.

Inside this guide, you'll get great tips, how-to, advice, and my little secrets that will help you be successful in buying your first home in today's market. AND it's all in sequential order so you know what to do when.

There's a lot more to buying your first home than meets the eye, and I'll show you how you can get from where you are to where you want to be both literally and figuratively.

KATHLEEN@KATHLEENBANISTER.COM

Your first home is within your reach

(pinky promise)

If you are paying rent, most likely you can buy your first home.

Even if you have student loan debt, even if you don't think you are making enough money, even if you don't have a big downpayment. There are great first-time buyer programs available to make your first home more affordable. Want to know which ones you qualify for?

Kathleen was amazing to work with! I can honestly say she is the best realtor I've ever worked with. From our very first conversation she proved to be knowledgeable and insightful.



It comes down to where you want to live and what you make (sometimes the less you make the more help you can receive to make this happen for you). There are several first time buyer programs out there and can help you learn what you qualify for and the pros and cons of each. Let's meet to see what's possible for you. Reach out and let's find out. I can't wait to hear from you!

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Step One: How to Find the Very Best Buyer's Agent for YOU

Our area has a lot of great agents to choose from. And that's actually a good thing! But it can make it difficult and overwhelming to choose whom to work with to help you buy your first home.

Here are a few things to look for in an agent:

- Do they specialize in the type of home and area you are looking for?
- Since you are a first-time buyer, are they familiar with the first time home buyer programs that you might qualify for that will make your first home more affordable?
- What is the average price range of the home they help clients buy?
- Do you feel comfortable sharing personal details with them?
- Are they willing to take the time to listen to you in order to help you realize your needs and wants in a home or are they too quick to show you homes you might not even be interested in or know you can afford?



- Are they willing to work within the timetable you've sent to find a home, not push you to buy something sooner than you are ready?
- Do they know the areas you are considering buying inside and out?
- Are they willing to be a resource for you even after you purchased your home to support your being a homeowner for the first time?

Like anything in life, it's best to talk to a few different agents to make sure it's the best fit for both of you. I'd be honored to be one of the agents you talk to when you are ready for this step. I can give you my answers to the questions above and we can see if we are the right fit for each other. If not the best agent for you, I'll be the first to tell you (so not to waste your time or mine) and I'd be happy to connect you with one of my colleagues who might be a better fit.



Step Two:

How Your Needs and Desires Lead to “Home Sweet Home”

Before you go looking “out there” for a home, it’s best to start with some self-analysis. Remember, you’ll be living in this home every single day ... and how you picture your life as a homeowner is so essential to finding a home that fits YOU and your lifestyle.

That’s why you need to first ask yourself (and your loved ones) some thought-provoking questions that dig a bit deeper than how many bedrooms you need.

QUESTIONS SUCH AS:

- How long do you plan on living in this first home?
- What plans do you have during that time period and how will these affect your home needs, such as space for children or a growing family? Location for a job or school?
- What is the ideal timeframe for purchasing this home? Do you have a specific deadline? Why is this timing important? Are you willing to wait longer if the market's timing for your home is not the same as your ideal timing?
- What about your current daily life do you love and are not willing to give up? For example, do you love going to your local coffee house on the way to work every morning or hit the gym for a workout on your way home?
- Are you a homebody? Do you love having people over and would love to have the space for entertaining at home?
- Do you love to be near restaurants, theaters, or close to more vibrant areas? Do you hate crowds, busy streets, and traffic? Do you see that changing at any point during your timeframe for living in your next home?
- Do you work late and need to be close to the office or have an easy commute via car or mass transit? Will that change in the next 5 years or so?
- What are your personal goals and how will these affect your home needs or budget? For example, do you plan to change jobs at some point and so your finances may change - a possible increase or decrease in salary?
- Do you want to work from home eventually or start your own business and may need space for an office and supplies?
- Would you prefer to live in a less expensive, possibly smaller, home so you have the funds to travel the world or for a favorite hobby?
- Do you consider yourself a "location person" or a "house person"? Do you get more excited about the local amenities OR the features inside your house? Usually people tend to be more one than the other. Which are you?
- What is your ideal location and why?
- Where do you commute to and what is your preferred method of getting there?
- Are schools in the neighborhood a factor for this home purchase?

- Would you prefer to have a longer commute to get more space? Or, do you want to live in the middle of a more urban community and possibly have less living space?
- Do you feel the need for green space, lots of trees, more open space, fewer buildings and streets, and not having neighbors' homes too close to yours? Do you love to garden or want a large backyard for children or dogs? Or is a playground or dog park nearby sufficient? And what about outdoor space for entertaining or relaxing?
- What about your current home would you like to change or be different in your next home? (Or what absolutely bothers you every day in your current home or rental?) Do you want: Bigger closets? Less noise? More amenities nearby? Home office space? More convenient shopping options? More modern and sleek features? More historic or vintage home?
- What is the absolute most important, can't-live-without it, the deal-breaker thing you MUST have? (We all have one.) What can you compromise in a home?
- Describe your ideal scenario when it comes to your home purchase and why.

I'd love to hear your answers to your questions. This is exactly what we discuss during our next step together—an initial consultation to talk about the buying process in more detail, talk through your answers to these very questions and see if you qualify for any first time home buyer programs.

Email me at Kathleen@KathleenBanister.com whenever you are ready!



Step Three: Have A Mortgage You Can Afford

NOT THE HIGHEST PRICE YOU'VE
BEEN APPROVED TO BUY

Don't focus solely on the purchase price or the highest price you can be approved for, but rather first start with your desired monthly payment. This monthly payment should factor in your taxes and insurance (but not utilities and general monthly maintenance).

This Mortgage Rule of Thumb may seem backward but it's the one and only way to make sure you get the home you want for the price you want.

That's why it's important to ask yourself what you're truly comfortable spending on your monthly mortgage payment. And--this is even more important: it's okay if that amount is lower than what's approved. In fact, that is how it should be! Most people get approved to buy a home at a price much higher than they want to spend.

Not sure how to come up with your desired monthly payment? This is something we can talk about and I can help you with what you should consider when making that decision. For example, you'll want to consider about 1% of the home's purchase price per year for maintenance, the tax savings you'll get as a homeowner, and take in account your spending habits.

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Step Four:

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Where to Find Money for Your Down Payment

One of the biggest roadblocks for many buyers is the down payment. It especially stops many first time buyers from moving forward ... but you don't have to let that happen to you, especially if you think you need 10% or 20% down. You might not!

It's definitely not "one-size-fits-all" these days! Every buyer's financial situation is different and you may even qualify for a grant or other downpayment assistance program or get your mortgage insurance waived, making your first home more attainable.

There are also some creative ways to get your down payment such as creating a savings plan, using your tax return, and even borrowing from family or your retirement account.

If you want to be a homeowner, let's explore the options. There are loans only available for first-time buyers that don't require a big downpayment. Most buyers don't need as much of a downpayment as they think. Let's discuss your specific financial situation and what's possible for you. This is the part that stops most buyers who can afford a home, simply because they don't have all the information they need to make the right decision, but not you!

Let's discuss your specific financial situation and what's possible for you.

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Step Five: Get Approved For A Mortgage

The lending process can be complicated and hard to follow for even the savviest buyers. It doesn't help that loan options are constantly changing. There are a lot of loan options out there, but I can help you make sense of them all. Plus, I work with great lenders who have competitive rates and offer loan programs that are ONLY available to first-time buyers. I can suggest a few for you to talk to and compare the options. I can also review your loan options with you and help you make sense of what all the numbers mean.

Remember from step three above, you don't want to get approved for the highest price you can, that's not helpful. You want to get approved for and understand all the numbers at the monthly payment you want to pay per month. Huge difference.

If you want to know what loan program is best for you (there are even some that don't required private mortgage insurance payments even if you don't have 20% down—Yessss!), let's talk more at your convenience. Email me and I'll take it from there.

Step Six:

Have Fun Looking At Homes

(Here's how to make it less stressful)

When you first thought about buying a home, you probably thought about the house hunting part of it, right?

It sounds fun and exciting, almost like you're starring in your own HGTV episode!

But when you're right in the thick of viewing homes, it can be stressful and overwhelming. Lots of information to take in and so many decisions to make.

There's no reason it has to be that way! I've developed some simple strategies that will streamline your search and make you "shop" productively.

For example, one strategy is called the "Three Buckets".

Every factor you need to consider when house hunting fits into one of these three buckets—budget, location, and features. Each bucket doesn't have to be equal in "weight" but the total weight combined of the three buckets must balance the scale they sit on. And, if you can't find a home you want or you feel frustrated with the lack of options, all we have to do is adjust what's in the buckets just a little at a time so they all still stay balanced.



Another strategy is called Only Two Hours.

I've created a system whereby I only need two hours of your time per week at most to find you the perfect home. That way you can fit house hunting into your life and not have it become your life.

I take a completely different approach to home buying as you can see and my goal is to make it a fun experience while getting you the results you are after—a home that meets your criteria within your budget.



Step Seven: Make a Winning Offer Without Going Overboard

You've done it ... you found the home you want to buy! Now you're ready to make an offer and tackle some of the next steps that will make you a homeowner.

First, it's time to determine your offer price and the amount of your earnest money deposit to show you're a serious buyer. You'll need liquid funds for this deposit, so make sure you're ready to write a check with your offer.

You also need to get prepared for some negotiation tactics. This is when we'll find the perfect balance of getting the home you want AND for a price you're happy with. DO NOT forget about your deal breakers and the maximum amount you'd be willing to offer for a home. (Remember, you have a "monthly" budget in mind!) Don't let this step scare you! Negotiating for a home can seem overwhelming, but I have a very instructional, step-by-step way of making sure you are knowledgeable, confident, and comfortable with every decision during this important milestone.

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Step Eight: Under Contract: Locking in Your Mortgage and Getting Your Home Appraised

Once you're under contract to buy a home, you want the final stages of the mortgage process to go smoothly and not sidetrack the purchase of your new home.

You don't want any surprises or setbacks!

Both locking in your mortgage and the bank's appraisal of your home is very important at this point so that you can move forward with your financing.

During this phase, it feels like a lot is happening behind the scenes, but my job is to make it transparent to you. I'll help you lock in your loan with your lender and help you pick the best interest rate option available to you. I'll also explain why you need an appraisal at this point in the process, how to get one, what happens at the appraisal, and of, course, the results—what the bank says your home is worth!



Step Nine:

Time For That Home Inspection

No home is perfect, not even your dream home! Getting a professional home inspection is one very important step you need to take once you're under contract (or before making an offer, depending on the demand for the home you are interested in).

Your contract may include a contingency that gives you a certain number of days to complete an inspection. Once you have the results, you may ask for repairs, renegotiate the price, or even cancel the contract if the inspection results uncovered something that was a dealbreaker.

Step Ten:

Review those HOA or Condo Docs...or Else

If you are buying a condo, townhome, or a single-family home located in a homeowners association, you'll have the opportunity to review the association documents. This step happens AFTER you are under contract. Seems backward, but that's how the process works. You'll only have a few days to read sometimes hundreds of pages of documents about the rules, regulations, and financial situation of the association.

Even though you are buying a home, when the home is within an association, you are also buying into the unit, the "business" of the association, so it's important for you to determine how stable and financially sound this "business venture" is before taking it on. In this stage, you should investigate everything that needs to be considered, including its reserve funds, operating budget, and even its rules and regulation, as well as what questions you may want to ask the association or property manager.

Step Eleven:

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Almost There ... Preparing for Settlement

You're almost a homeowner but have a few more details to handle before the big day. You'll need to get homeowner's insurance and call to have the utilities connected in your name. You'll also need to get your check ready for settlement and schedule time to sign the settlement papers to make your new home officially yours! But, don't worry, I've got a checklist for that, too, so you won't forget to do a thing.

Step Twelve:

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How to Make Your Settlement a Success

You've finally made it! Today is the day you officially become a homeowner! On this monumental day, we'll start out with the final walk-through so you can see the home again right before you take ownership and make sure all looks as it should: the sellers are out and any home inspection repairs are complete. Then we'll head to the settlement office where you will sign paper after paper making you the new owner. You'll also have to bring a certified check or wire the rest of your downpayment and closings costs. Once you leave with your new keys in your hand, it's time to celebrate! You did it! Congratulations!

BONUS

HOW TO MAINTAIN YOUR NEW HOME

Now that you are a homeowner, you'll also want to be knowledgeable about how to take care of your home. That's why I don't disappear when settlement is over. You can continue to see me as your go-to resource for all things real estate. I'll be in touch often with reminders about how to maintain your home, tips on how not to overspend on repairs and you can call me anytime you need a contractor or want to talk about a house project and how it may affect your resale.

**TOGETHER, WE'LL MAKE SURE YOU KNOW
WHAT TO DO TO SAFEGUARD YOUR
BIGGEST INVESTMENT—YOUR HOME.**

YOUR NEXT STEP:

If you've enjoyed this guide, I'd love the opportunity to help you become a homeowner!

MY GOAL IS TO HELP YOU
ON YOUR TIMELINE, NOT
PRESSURE YOU TO DO
SOMETHING THAT ISN'T
RIGHT.

Our first step together would be a 30 minutes meeting where we'd discuss the steps in the home buying process, talk about your criteria and see if you qualify for any first time home buyer loans that could save you money.

Even if you don't think you are ready to buy for months or years, I'd love to meet you and help you put together a plan we can implement whenever you are ready.

So, email me at

Kathleene@KathleenBanister.com,

and let's set up a time to talk more about your situation, how this can happen for you, and get any questions you have answered so you'll have all your ducks in a row when the time comes.

It all starts with an initial meeting between us to clarify the big picture. I can't wait to hear from you. In the meantime, I hope you enjoyed this guide!





I CAN'T WAIT TO HEAR FROM YOU!

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